

Introduced by Senator PerataFebruary 22, 2008

An act relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1759, as introduced, Perata. Energy: renewable energy.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act requires the PUC to review and adopt a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The renewables portfolio standard program requires that a retail seller of electricity, including electrical corporations, community choice aggregators, and electric service providers, but not including local publicly owned electric utilities, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard). Existing law requires the PUC to require the state's 3 largest electrical corporations, Pacific Gas and Electric Company, San Diego Gas and Electric, and Southern California Edison, to identify a separate electrical rate component to fund programs that enhance system reliability and provide in-state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. Existing PUC resolutions refer to the nonbypassable rate component as a "public goods charge." The public goods charge moneys are collected to support cost-effective energy efficiency and conservation activities, public interest, research, and

development not adequately provided by competitive and regulated markets, and renewable energy resources.

Existing law establishes the Renewable Resource Trust Fund as a continuously appropriated fund in the State Treasury, and provides that 51.5% of the money collected by the public goods charge for renewable energy resources, after deducting certain administrative expenses, be deposited in the New Renewable Resources Account in the fund, for use by the State Energy Resources Conservation and Development Commission (Energy Commission) to foster the development of new in-state renewable electricity generation facilities. Existing law requires the Energy Commission to certify eligible renewable energy resources, to design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers, and to award production incentives and allocate and award supplemental energy payments from the New Renewable Resources Account to cover above-market costs of purchasing electricity from eligible renewable energy resources.

This bill would make specified legislative findings and declarations regarding the proposed construction of fossil-fuel electricity generating facilities and renewable energy resources.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California's electricity sector is increasingly dependent on
- 4 natural gas, facing potential supply shortages and escalating energy
- 5 prices, and it relies upon an inadequate and aging transmission
- 6 infrastructure requiring modernization to better ensure the
- 7 continued and efficient delivery of electricity and renewable energy
- 8 throughout the state.
- 9 (b) California's current energy trend, as it relates to electricity
- 10 procurement and natural gas powerplant development, will have
- 11 devastating local public health, regional, economic, and global
- 12 environmental impacts for decades into the future.
- 13 (c) State and local regulatory processes are underway to build
- 14 a staggering 5,000 megawatts of new, local natural gas electric

1 generators, which will commit the state to these polluting facilities
2 for the next 30 to 50 years.

3 (d) Such a massive investment will facilitate California's
4 dependency on large amounts of imported liquefied natural gas
5 (LNG) and enhance LNG terminal siting along California's historic
6 ocean coast, while increasing air pollution to coastal communities.

7 (e) The South Coast Air Quality Management District estimates
8 that in the Los Angeles Basin alone, nine proposed natural gas
9 powerplants will emit 17.6 million tons of carbon dioxide, 1.6
10 million pounds of particulate matter, 1.8 million pounds of carbon
11 monoxide, and 132 thousand pounds of sulfur dioxide every year.

12 (f) Nearly all the proposed powerplants are proposed to be sited
13 in low-income communities and communities of color, further
14 exacerbating severe public health threats by concentrating toxic
15 air pollution in these communities.

16 (g) Vast new natural gas powerplant development in California
17 may result in not meeting requirements of California's
18 environmental laws that may require greenhouse gas emission
19 reductions from the electricity sector, federal air quality standards,
20 as well as renewable energy deployment requirements from the
21 state's investor-owned utilities.

22 (h) In 2005, the State Energy Resources Conservation and
23 Development Commission, the California Power Authority, and
24 the Public Utilities Commission adopted the Energy Action Plan
25 II, supporting the loading order, adopted in the 2003 Integrated
26 Energy Policy Report, that describes the priority sequence for
27 action to address increasing energy needs in the state.

28 (i) The loading order consists of decreasing electricity demand
29 by increasing energy efficiency and demand response, meeting
30 new generation needs first with renewable and distributed
31 generation resources, and lastly with fossil-fueled generation.

32 (j) Capturing energy from wind, solar, ocean, and geothermal
33 resources builds the health of people, protects California's
34 environment, creates jobs, and advances the benefits of a new
35 green energy economy.

36 (k) It is the intent of the Legislature that any construction of, or
37 procurement of power from, new or proposed fossil-fueled
38 generation resources should be justified in the context of achieving
39 reductions in greenhouse gases to 1990 levels by 2020 and 2050

1 targets of 80 percent reduction in greenhouse gases below the 1990
2 levels.

3 (l) It is the intent of the Legislature that state agencies with
4 jurisdiction in the area of electric energy generation, procurement,
5 siting, permitting, and rate-setting and renewable energy
6 development in both electricity and transportation sectors should
7 conduct all of the following activities:

8 (1) Quantify and publicly provide the air emissions and
9 cumulative impacts of new power plant construction in California
10 and report to the State Air Resources Board the implications for
11 the achievement of the state's climate and air quality goals.

12 (2) Report to the State Air Resources Board on the progress of
13 existing renewable energy deployment programs and identify
14 obstacles to the achievement of the state's renewable energy goals.

15 (3) Perform an audit, to be publicly available, of existing and
16 planned low-income rate assistance, energy efficiency, solar, and
17 green building programs and identify barriers that impede local
18 community deployment and participation.

19 (m) It is the intent of the Legislature that state agencies with
20 jurisdiction in the area of electric energy generation, procurement,
21 siting, permitting, and rate-setting, and renewable energy
22 development in both electricity and transportation sectors should
23 require proponents of new powerplant construction to conduct a
24 thorough and robust renewable energy alternatives assessment
25 prior to the approval of new fossil-fueled based electric generation.
26 If a more carbon-beneficial combination of energy producing or
27 energy saving sources is available, then the proponent should be
28 required to pursue that avenue. This process should begin with all
29 currently approved and expected powerplants.